

NOTICE OF WORKSHOP TO SOLICIT COMMENTS ON PROPOSED PERMANENT REGULATIONS

April 9, 2004

The Department of Business and Industry, Division of Mortgage Lending (Division) is proposing new permanent regulations pertaining to the regulation of mortgage brokers and agents in chapters 645B of the Nevada Administrative Code (NAC), the regulation of escrow agencies in chapter 645A of NAC, and the regulation of mortgage bankers in chapter 645E of NAC. A workshop has been set for 8:00 a.m. on April 26, 2004, at the hearing room at the offices of the Department of Business and Industry, 788 Fairview Drive, Carson City, Nevada 89701. Interested parties may also participate through a simultaneous videoconference conducted at the Bradley Building, 2501 East Sahara Avenue, Suite 204, Las Vegas, Nevada 89104. The purpose of the workshop is to solicit comments from interested persons on the following general topics addressed in the proposed regulations.

1. General Topics to be discussed:

- A. Continuing Education Issues.**
- B. Examination Procedures for Licensees.**
- C. Examination expense—per hour rate.**
- D. Advertising.**
- E. Books and Records.**
- F. Language/address changes to Division of Mortgage Lending NRS 645B.220.**
- G. Assessment of costs of Attorney General's Office.**
- H. Update of Disclosure Statement.**
- I. Update Administrative Actions Available for Violations of Federal Law.**
- J. Branch Office Requirements.**
- K. Financial Statement Receipt by Division.**
- L. Mortgage Agent Requirements.**
- M. Pursuant to AB 490 – change the word Company to Banker for NRS 645E.**

2. Other More Specific Topics to be Discussed.

- A. Proposed permanent regulations to add some new provisions to chapter 645B of NAC which were added as temporary regulations in February of 2003, a copy of which is attached hereto as attachment 1. These regulations expired by law on November 1, 2003. These regulations, mandated by NRS 645B.060, provide standards for rating mortgage brokers, procedures for resolving objections by mortgage brokers to the results of annual examinations, and provide general guidelines for periodic or special audits of mortgage brokers. The temporary regulation also adds provisions providing general guidelines for examiners conducting annual or other examinations or investigations of mortgage brokers and amends an existing regulation to increase the time period applicable to the Commissioner of Mortgage Lending to approve or act upon a power of attorney.**

- B. Proposed permanent regulations pertaining to continuing education requirements under chapter 645B of NRS to state what must be included in continuing education courses, to designate additional organizations to certify courses of continuing education for mortgage brokers and mortgage agents pursuant to NRS 645B.051(3)(b), and to state the conditions under which credit will be granted for continuing education courses. See attachment 2.**
- C. Proposed permanent regulations to amend chapter 645B of NRS to add to or amend various provisions of chapter 645B to effectuate changes made by the 2003 Nevada Legislature when it created the Division of Mortgage Lending and required mortgage agents to be licensed. See attachment 3. Some proposed changes are as follows: a provision to give the Commissioner discretion to require applicants to submit a fingerprint card with their applications; a provision to add a definition of “Commissioner;” a provision to amend NAC 645B.060 to increase the fee from \$40.00 to \$50.00 per hour for an examination; a provision to amend NAC 645B.030 to allow the Commissioner to waive the requirements for a branch office for good cause; a provision to amend NAC 645B.035 to allow a mortgage broker to conduct business using more than one fictitious name if the mortgage broker obtains a separate license for each fictitious name; a provision to amend NAC 645B.300 to make changes reflecting the fact that a mortgage agent must now apply to be licensed as such; a provision to amend NAC 645B.330 to include mortgage agents as liable for acts of deceptive trade, failure to refund excess fees, or commission of a violation of various federal acts.**
- D. A proposed permanent regulation to amend NAC chapter 645E, as required by NRS 645E.360(4), to prescribe the scope of an audit of accounts described in NRS 645E.430 pertaining to trust accounts for money deposited to pay taxes or insurance premiums. (See attachment 4).**
- E. A proposed permanent regulation to amend NAC 645E.320 Fee for supervision and related activities: Amount; collection; failure to pay. The ability to increase the fee from \$40.00 to \$50.00 per hour for an examination.**
- F. Proposed permanent regulations pertaining to changes in chapter 645A of NAC to add provisions pertaining to deposit of funds in trust or escrow accounts. See attachment 5.**

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Members of the mortgage brokers industry, business community, and the public are also invited to comment on any impact the proposed regulations may have on small businesses. The Division has reviewed the proposed regulations and determined that the regulations do not impose a direct or significant impact on a small business, or directly restrict the formation, operation, or expansion of a small business.

A copy of this notice and the proposed regulations will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the proposed regulations will be available at the offices of the Division, 3075 E. Flamingo Rd., Ste. 104A, Las Vegas, Nevada, 89121, or 400 West King St., Ste. 406, Carson City, Nevada 89703, and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. Copies will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

This Notice of Workshop to Solicit Comments on Proposed Permanent Regulations has been sent to all persons on the agency's mailing list for administrative regulations and posted at the following locations:

Department of Business and Industry
Division of Mortgage Lending
400 West King St., Ste. 406
Carson City, NV 89703

Department of Business and Industry
Division of Mortgage Lending
3075 E. Flamingo Rd., Ste. 104A
Las Vegas, NV 89121

Manufactured Housing Division
2501 East Sahara Avenue, 2nd Floor
Las Vegas, NV 89104

Attorney General's Office
100 North Carson St.
Carson City, NV 89701

Members of the public who are disabled and require special accommodations or assistance at the hearing are requested to notify the Deputy Commissioner, Sue Eckardt, at the Division, 3075 E. Flamingo Rd., Ste. 104A, Las Vegas, Nevada, 89121, Las Vegas, Nevada, or by calling (702) 486-0782 no later than 5 working days prior to the hearing.

Sincerely,

SCOTT BICE, Commissioner